

OBU011 - INTRODUCTORY MANAGERIAL ACCOUNTING

3-4 Semester Hours

Related TAG: Business

General Course Description

This is a course of study that introduces managerial accounting for business entities.

Learning Outcomes and Academic Skills:

Any introductory course of study in managerial accounting that is included in the Business Transfer Assurance Guide must use business-related materials to develop the following general learning outcomes and academic skills:

- 1. Recognize the differing information needs of internal management and external users of financial information***
- 2. Define and describe the basic terminology and concepts of managerial accounting***
- 3. Apply managerial accounting techniques to determine the cost of products and services***
- 4. Explain and apply managerial accounting techniques for the purposes of planning, controlling, decision making and performance evaluation***

Body of Knowledge Requirements:

Any introductory course of study in managerial accounting that is included in the Business Transfer Assurance Guide must provide coverage of *at least seventy percent* of the following topics:

I. Overview of Managerial Accounting

1.00 Managerial Accounting and Business Organizations

1.01 Distinction between financial accounting and managerial accounting*

1.02 Information needs of internal users

1.03 Cost benefit principle for information and reporting

1.04 Ethics and integrity in today's organizations*

II. Cost Measurement and Decisions

2.00 Cost Concepts

2.01 Costs and cost drivers*

2.02 Variable, fixed and mixed costs*

2.03 Direct and Indirect costs*

2.04 Cost functions and cost behavior*

2.05 Categories of manufacturing cost*

2.06 Product and period costs*

2.07 Prime and conversion costs

3.00 Cost-Volume-Profit

3.01 Contribution margin and contribution margin ratio*

3.02 Use cost-volume-profit analysis to find break-even points and target profit volumes*

3.03 Sales mix analysis

4.00 Cost Behavior

4.01 Methods of measuring cost functions (regression, high-low, etc.)

4.02 Use of cost equations to express and predict costs*

4.03 The value chain

5.00 Cost Decisions 5.01 Relevant and irrelevant costs in decision contexts* 5.02 Special Order Decisions 5.03 Adding or dropping products 5.04 Using limited resources 5.05 Cost-plus pricing and target costing 5.06 Make or Buy decisions 5.07 Processing joint products 5.08 Influence of performance measures on production decisions
III. Product Costing
6.00 Cost Allocation 6.01 Cost accumulation, cost objects, and cost allocations* 6.02 Allocation of service department costs 6.03 Allocation of joint costs 6.04 Allocation of corporate support costs 6.05 Strengths and weaknesses of allocations in decision contexts
7.00 Accounting for Overhead Costs 7.01 Overhead rates* 7.02 Accounting for manufacturing overhead* 7.03 Variable and absorption costing 7.04 Overhead variance analysis
8.00 Costing Systems 8.01 Manufacturing inventories 8.02 Cost of Goods Manufactured* 8.03 Distinction between job-order and process systems* 8.04 Job costing and accounting for manufacturing costs* 8.05 Activity-Based Costing (ABC) systems 8.06 Process costing
IV. Planning and Control
9.00 Capital Investment Decisions 9.01 Discounted cash flow analysis* 9.02 Evaluation of individual projects - payback, return on investment, and net present value* 9.03 Comparison of alternative projects* 9.04 Equipment replacement decisions 9.05 Income taxes and cash flow analysis
10.00 Budgeting 10.01 Preparation of the master/operational budget* 10.02 Budgets and organizational behavior 10.03 Financial planning models
11.00 Flexible Budgets and Variance Analysis 11.01 Static and flexible budgets* 11.02 Standard costs and prime cost variance analysis* 11.03 Standard costs and overhead variance analysis 11.04 Standard cost journal entries
12.00 Performance Evaluation 12.01 Centralized vs. decentralized organizations 12.02 Responsibility accounting—cost centers, profit centers, investment centers 12.03 Goal congruence, managerial effort and motivation

12.04 Performance measurement—residual income and return on investment* 12.05 Non-financial measures of performance and the balanced scorecard 12.06 Transfer prices
<i>Note: Body of knowledge and learning outcomes marked with an asterisk (*) are considered fundamental and essential.</i>

BUSINESS TAG: INTRODUCTORY MANAGERIAL ACCOUNTING TAG COURSE
FACULTY PARTICIPANTS
February 22, 2023

Name	Institution
Donna Chadwick (Lead)	Sinclair Community College
Robert Adkins	Clark State Community College
Donna Von Deylen	Cincinnati State Technical and Community College
Gayle Mackay	Southern State Community College
Martin Blaine	Columbus State Community College
Eric J. Marinich	Miami University
Marc Smith	The Ohio State University
David Stott	Ohio University

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November 2014

Name	Institution
Linda Zucca (Co-Leads)	Kent State University
Raul Ramos (Co-Leads)	Lorain County Community College
Jim Zeigler	Bowling Green State University
Frank Klaus	Cleveland State University
Marilyn Tubaugh	Eastern Gateway Community College
Doug Holbrook	Marion Technical College
Tim Eaton	Miami University
Donna Chadwick	Sinclair Community College
Terry Holmes	Terra State Community College
Tzachi Zach	The Ohio State University
Tracey Hawkins	University of Cincinnati